

"SECOND SCHEDULE

PART I

IMMUNITIES AND PRIVILEGES OF SENIOR OFFICERS OF THE COMMONWEALTH SECRETARIAT

Every senior officer of the Commonwealth Secretariat and any member of his family forming part of his household, other than a member who is a citizen only of the United Kingdom and Colonies, shall, if permanently resident outside the Protectorate, have the like privileges and immunities as are accorded by law in the United Kingdom to a diplomatic agent and the members of his family forming part of his household, except that any such person shall not be exempt from liability for income tax in respect of any salary or emoluments payable to him by the Secretariat.

PART II

IMMUNITIES AND PRIVILEGES OF OFFICERS AND SERVANTS OF THE COMMONWEALTH SECRETARIAT OTHER THAN SENIOR OFFICERS

Every officer and servant of the Commonwealth Secretariat other than a senior officer shall have —

- (a) immunity from suit and legal process in respect of acts or omissions of his in the course of the performance of official duties, except immunity from suit and legal process in respect of a civil action for damage alleged to have been caused by a motor vehicle belonging to or driven by him, or in respect of a motor traffic offence involving such a vehicle; and
- (b) the like inviolability for all his official papers and documents as is accorded by law in the United Kingdom to the diplomatic agent of a sending State."

Passed by the British Solomon Islands Governing Council this sixteenth day of November, one thousand nine hundred and seventy-two.

This printed impression has been carefully compared by me with the Bill passed by the Governing Council and found by me to be a true and correct copy of the said Bill.

L. POZNANSKI
Clerk of the Governing Council

LN 24/73

BRITISH SOLOMON ISLANDS PROTECTORATE

NO. 22 OF 1972



Assented to in Her Majesty's name and on Her Majesty's behalf this twenty-eighth day of November 1972.

[L.S.] *non disallowance LN 24/73*

M.D. IRVING GASS,
High Commissioner

AN ORDINANCE

TO AMEND THE INCOME TAX ORDINANCE

[1st January 1973] Date of commencement.

ENACTED by the High Commissioner for the Western Pacific with the advice and consent of the Governing Council of the British Solomon Islands Protectorate, as follows:—

Short title
and com-
mencement.

1. (1) This Ordinance may be cited as the Income Tax (Amendment) Ordinance 1972 and, subject to subsection (2), shall come into operation on the 1st January 1973 and apply to assessments for the year 1973 and subsequent years.

(2) (a) Section 7(c) shall be deemed to have come into operation on 1st January 1971 and to apply to assessments for the year 1971 and subsequent years.

(b) Section 8(a) and section 23 shall be deemed to have come into operation on 1st January 1972 and to apply to assessments for the year 1972 and subsequent years.

Amendment
of section 2
of Cap. 61.

2. Section 2(1) of the Income Tax Ordinance, (hereinafter referred to as the principal Ordinance), is hereby amended by deleting the definition of "debenture interest".

Amendment
of section 3
of Cap. 61.

3. Section 3 of the principal Ordinance is hereby amended—

(a) in paragraph (b) by deleting the comma and words "other than dividends paid by resident companies to non-resident shareholders"; and

(b) by substituting for paragraph (d) the following new paragraph:—

"(d) any amount received by way of alimony or allowance under a decree of divorce, a judicial order of separation or maintenance or a deed of separation or maintenance."

Repeal and
replacement
of section 7
of Cap. 61.

4. Section 7 of the principal Ordinance is hereby repealed and replaced by the following new section:—

"Provisions relating to income from dividends.

7. For the purposes of section 3(b) —

(a) a dividend received by a shareholder in a resident company shall be deemed to be income of the year in which it is payable and to be of such gross amount as, after deduction of the tax which the

company is required to deduct under section 33, is equal to the net amount received;

(b) any interest paid by a resident to a non-resident person shall be deemed to be derived from the Protectorate."

5. Section 8 of the principal Ordinance is hereby amended by substituting for subsection (1) the following new subsection:—

Amendment
of section 8
of Cap. 61.

"(1) Where a non-resident person carries on the business of owner or charterer of ships or aircraft and any ship or aircraft owned or chartered by him calls at any place in the Protectorate, the gains or profits of such business from the carriage of passengers who embark, or cargo or mail which is embarked, in the Protectorate shall be deemed to be income derived from the Protectorate and of an amount equal, in the case of ships to seven and one half per cent and in the case of aircraft to five per cent, of the full amount received for such carriage:

Provided that this subsection shall not apply to any gains or profits from the carriage of passengers who embark, or cargo or mail which is embarked in the Protectorate solely as a result of transshipment."

6. Section 11 of the principal Ordinance is hereby repealed and replaced by the following new section:—

Repeal and
replacement
of section 11
of Cap. 61.

"Declaration of pioneer company.

11. (1) Where, having regard to the economic and other benefits likely to accrue to the Protectorate, the High Commissioner is of the opinion that it would be in the public interest so to do, he may by order declare any company which proposes to commence a business in the Protectorate to be a pioneer company, whereupon the provisions of the Third Schedule shall apply either in full or to such modified extent and upon such conditions as the High Commissioner may by such order specify:

Third
Schedule.

Provided that a company shall not be declared to be a pioneer company if before the date of its application to be declared such a company it is engaged in any business.

Third
Schedule.

(2) Application for an order under this section may be made to the High Commissioner through the Financial Secretary in accordance with the requirements set out in the Third Schedule and shall be made by the company which proposes to commence the business or by any other person intending to be concerned in the formation of such a company.

(3) Every order made under this section shall specify a date of production being the date by which, in the opinion of the High Commissioner, the pioneer company may reasonably be expected to manufacture or produce in marketable quantities the goods or produce, or to provide the services, specified in the application upon the basis of which such order is made.

(4) The terms of any order which it is proposed should be made under this section shall be published in the Gazette except where the Financial Secretary directs that they be published in some other manner, together with a notice that any person who objects to the making of the order may state the grounds of his objection in writing to the Financial Secretary on or before such day, not being less than one month after the date of such publication, as may be specified in the notice, and the order shall not finally be made before that day and until every valid objection thereto has been considered by the High Commissioner:

Provided that, where the terms of any proposed order have been varied in consequ-

ence of any objection thereto, it shall be lawful for the High Commissioner finally to make the order as so amended without further notice.

(5) An order made under this section may be revoked or amended with or without the agreement of the pioneer company in any case where it appears to the High Commissioner that any estimate made in the relevant application, or any information supplied by the applicant in, or in connection with, his application was recklessly or wilfully erroneous and misleading.

(6) Upon the revocation of an order made under this section, notice thereof shall be published in the Protectorate in such manner as the Financial Secretary may direct, and the revocation shall have effect for all the purposes of this Ordinance from the commencement of the year in which the order is revoked.

Third
Schedule.

(7) The High Commissioner may, from time to time, by order, amend the Third Schedule".

7. Section 14 of the principal Ordinance is hereby amended —

Amendment
of section 14
of Cap. 61.

(a) by substituting for paragraph (d) of subsection (3) the following new paragraph:—

“(d) any amount paid during such year by such person by way of alimony or allowance under a decree of divorce, a judicial order of separation or maintenance or a deed of separation or maintenance:

Provided that if such person was entitled during such year to any income which is not charged to tax under this Ordinance, the deduction under this paragraph shall be such

proportion of such amount as his total income, ascertained before any deduction allowable under this paragraph, bears to his world income for each year.”;

- (h) in subsection (5) by deleting the proviso there-to, and
- (c) by deleting subsection (7).

Amendment of section 15 of Cap. 61.

8. Section 15 (2) of the principal Ordinance is hereby amended —

- (a) in paragraph (e) by deleting the words “by a non-resident person” and substituting a semicolon for the full stop at the end thereof; and
- (b) by adding the following new paragraph:—
 - “(f) any expenditure incurred in the production of interest specified in section 34(1).”

Repeal and replacement of section 25 of Cap. 61.

9. Section 25 of the principal Ordinance is hereby repealed and replaced by the following new section:—

25. (1) A resident individual who in any year maintains a child who has either not attained the age of sixteen years before the end of such year or has not attained the age of twenty-five years and is receiving during that year full-time education at the expense of the resident individual at a university, college or school shall, in respect of each such child not exceeding four in number, be entitled to a personal allowance, in this Ordinance referred to as the child allowance, of —

- (a) one hundred dollars in respect of such a child who has not attained the age of five years before the end of such year, and

- (b) one hundred and thirty six dollars in respect of any other such child.

(2) Where a resident individual who is entitled in any year to the child allowance in respect of a child who is receiving during that year full-time education at the expense of that individual at a university, college or school satisfies the Commissioner that he has incurred in that year expenditure on the education of such child in excess of thirty-six dollars, he shall be entitled to an allowance, in this Ordinance referred to as the additional child allowance, of the amount of such excess up to a maximum of six hundred dollars:

Provided that the additional child allowance in respect of any child shall be reduced by the amount of any allowance paid to the resident individual in respect of the education of such child which is exempt from tax under section 12.

(3) Where two or more resident individuals jointly maintain a child in respect of whom they are entitled to claim the child allowance or jointly contribute to the costs of the education of a child in respect of whom they are entitled to claim the additional child allowance, then the amount of such allowances shall be apportioned between them in such proportions as they may agree or, in default of agreement, in equal shares.

(4) In this section “child” means any child, step-child or adopted child of the individual claiming the personal allowance in respect thereof for any year.”

10. Section 26 of the principal Ordinance is hereby repealed.

11. Section 27 of the principal Ordinance is hereby repealed and replaced by the following new section:—

“Dependant allowance. 27. A resident individual who in any year maintains or contributes to the maintenance or one or more dependent relatives of himself or his wife shall be entitled to a personal allowance, in this Ordinance referred to as the dependant relative allowance, of sixty dollars:

Provided that a relative who is the subject of claim under sections 24 or 25 shall not be the subject of a claim under this section.”

12. Section 31 of the principal Ordinance is hereby amended—

(a) by inserting immediately after the words “chargeable income” where they first appear therein, the commas and words “, other than interest specified in section 34(1),”;

(b) by substituting for the words “the chargeable income” in the proviso thereto, the words “such chargeable income”; and

(c) by inserting immediately after the words “total income” in paragraph (a) of the proviso thereto, the words “after the deduction from that total of such interest as aforesaid”.

13. Section 32 of the principal Ordinance is hereby amended by inserting immediately after the words “chargeable income” where they first appear therein, the commas and words “, other than interest specified in section 34(1),”.

14. The principal Ordinance is hereby amended by inserting immediately after section 32 the following new section:—

“Rate of withholding tax. 32A. Tax upon the interest specified in section 34(1) shall be charged at the withholding rate for such year which shall be at the rate

of fifteen cents for every dollar of such interest.”

15. Section 33 of the principal Ordinance is hereby amended—

(a) in subsection (1) by deleting the words “be entitled to”;

(b) in subsection (2) by adding at the end thereof immediately after the expression “in subsection (7)” the words “and shall furnish the Commissioner with a copy of each such certificate”;

(c) in subsection (3) by inserting immediately after the word “entitled” the words “or required”, and

(d) in subsection (4) by inserting immediately after the word “entitled” the words “or required”.

16. Section 34 of the principal Ordinance is hereby repealed and replaced by the following new section:—

“Deduction of interest paid to non-residents. 34. (1) A resident person who makes a payment of interest to a non-resident person shall deduct therefrom tax at the withholding rate under section 32A in force at the date on which the interest is payable.

(2) Upon payment of such interest the payer shall furnish the person to whom the interest is paid with a certificate setting forth the amount of the interest paid to him and the amount of tax deducted therefrom and shall also furnish the Commissioner with a copy of such certificate.

(3) An amount of tax deductible from a payment of interest under sub-section (1) shall be due and payable by the payer of the interest to the Commissioner within thirty days of the date on which the interest was paid and the provisions of this Ordinance relating to the collection and recovery of tax shall apply to the collection and recovery of such amount so deductible as if it were tax

which was due for payment within thirty days of the said payment of interest.

Amendment of section 35 of Cap. 61.

17. Section 35 of the principal Ordinance is hereby amended by deleting the words "debenture interest".

Repeal and replacement of section 36 of Cap. 61.

18. Section 36 of the principal Ordinance is hereby repealed and replaced by the following new section:—

"Set-off of tax deducted from dividends. 36. The amount of tax which has been deducted under section 33(1) shall be deemed to have been paid by the person receiving or deemed to have received the dividend and shall be set-off for the purpose of collection against the tax charged on such person for the year in which such dividend is received or deemed to be received."

Amendment of section 70 of Cap. 61.

19. Section 70 of the principal Ordinance is hereby amended —

(a) by substituting for subsection (4) the following new subsection:—

"(4) The Commissioner in his discretion may extend the period within which any tax is payable and may specify another due date for payment; and, in particular, at the request of the person assessed, the Commissioner may by notice in writing accept payment of tax by instalments with the addition of interest on the dates specified by him in such notice; and the ~~High Commissioner~~ ^{Commissioner} may by order prescribe the rate or rates of interest to be adopted for this purpose.", and

(b) by adding the following new subsections:—

"(5) A person who in the year 1973 or any subsequent year is carrying on a business shall make payments on account of the tax on the profits of the business for each such year in equal instalments on or before 20th March, 20th June, 20th September and 20th December during that year, each such payment being one-quarter of the tax charged on the profits of the business for the latest previous year for which the Commissioner has assessed that person under section 57:

Provided that —

(i) where the Commissioner has not assessed that person upon the profits of the said business for any such previous year that person shall estimate, according to the best of his judgment, the amount of tax which will be payable upon the profits of the year during which the instalments are to be paid, shall report that amount and the information upon which it is based to the Commissioner at least four weeks before the date when the first instalment is due or, where this is not practicable in the case of a business that has recently been commenced, within fourteen days from the date of such commencement, and the Commissioner shall determine the amount of the instalments;

(ii) where a person required by this subsection to pay instalments on account of tax during a year can show that, for a specific and substantial reason, an instalment determined under the foregoing provisions is likely to be excessive, he may pay such smaller instalment as may be agreed by the Commissioner.

(6) In assessing any person the Commissioner shall credit against the tax chargeable any instalments paid for that year under subsection (5) and shall recover the balance or refund the excess as necessary.

(7) For the purposes of subsections (5) and (6) and of this subsection —

(a) where a business is carried on by a partnership, the subsections shall apply to a partner

as they apply to a person carrying on a business alone;

- (b) where a business is carried on by a married woman in such circumstances that the profits are deemed under section 42 to be the income of her husband, references in the subsections to a person carrying on the business shall be regarded as references to the husband;
- (c) where the total income of a person includes other income in addition to the profits of a business, the profits of the business shall be regarded as constituting the higher part of that total income."

Amendment of section 74 of Cap. 61.

20. Section 74 of the principal Ordinance is hereby amended by deleting subsections (3), (4), (5), (6), (7) and (8).

Amendment of section 90 of Cap. 61.

21. Section 90 of the principal Ordinance is hereby amended —

- (a) by substituting for subsection (2) the following new subsection:—

"(2) The ~~High Commissioner~~ ^{Secretary} may appoint one or more agents within or outside the Protectorate for the purpose of carrying out such duties under this Ordinance as are specified in the instrument of appointment and any such agent shall thereupon be deemed to be an officer for the purpose of carrying out those duties.", and

- (b) by deleting subsection (3).

Amendment of the First Schedule to Cap. 61.

22. The First Schedule to the principal Ordinance is hereby amended —

- (a) in paragraph 9 by substituting for the words "carried on by him in the Protectorate" the words "to the extent that the ~~High Commissioner~~ ^{Secretary} may direct", and
- (b) by deleting paragraphs 15 and 19.

23. Paragraph 7 of Part II of the Second Schedule to the principal Ordinance is hereby amended —

Amendment of the Second Schedule to Cap. 61.

- (a) by substituting a semi-colon for the comma at the end of paragraph (b) and inserting immediately thereafter the following new paragraph:—

"(c) the provision of yards, fences and water supplies for the better breeding, nurture and handling of live stock", and

- (b) by inserting in paragraph (ii), immediately after sub-paragraph (c), the following new sub-paragraph:—

"(d) that in the case of yards, fences and water supplies one-tenth of such expenditure shall be deducted in computing his gains and profits for such year and each of the nine following years;"

24. The Third Schedule to the principal Ordinance is hereby repealed and replaced by the following new Schedule

Replacement of the Third Schedule to Cap. 61.

"THIRD SCHEDULE
(section 11)
Pioneer Relief

Interpretation.

1. In this Schedule unless the context otherwise requires —

"date of production" means the date of production specified in the relevant development order;

"development order" means an order made under section 11;

"tax concession period" means the period starting from the date of the development order and ending with the year in which the fifth anniversary of the date of production falls.

Particulars 2. Every application made under the provisions of section 11(2) shall contain the following particulars —

ion.

- (a) the nature of the business which it is proposed that the company shall commence;
- (b) a detailed estimate of the benefits to the economy to be expected from such business;
- (c) the estimated date of production;
- (d) the estimated amount and purpose of the capital to be employed in the business and the sources from which that capital will be obtained;
- (e) the conditions under which workers will be employed, their numbers and provision for their housing;
- (f) evidence that the business will be provided with effective and competent management; and
- (g) such other particulars or information as the Financial Secretary may require.

Income of a pioneer company to be exempt. 3. The total income of a pioneer company for each year comprised within its tax concession period shall be exempt from tax.

Exempt income to be distributable taxfree. 4. (1) Upon the agreement by the Commissioner of the amount of the total income of a pioneer company to be exempt from tax or upon the final determination of that amount on appeal, the amount thereof shall be credited by the company to a special account:

Provided that at no time shall the total of all amounts so credited exceed the amount of the ordinary share capital of the company

which is in issue, excluding any such capital issued for other than valuable consideration.

(2) The amount standing to the credit of such special account may be applied by the company to the payment of one or more special dividends to its shareholders, and every such dividend shall be exempt from tax in the hands of those shareholders:

Provided that no such special dividend may be declared to be payable on a date later than two years after the end of the tax concession period applicable to the company.

(3) Where any such special dividend is received by a shareholder which is a company then, not later than one year after the date upon which that dividend was received, that company may distribute an amount not exceeding the amount so received by way of one or more special dividends to its own shareholders, and each such special dividend shall be exempt from tax in the hands of those shareholders.

(4) Where the Commissioner and the company are unable to agree upon the amount of any total income to be exempted from tax, the Commissioner shall determine that amount and cause written notice thereof to be served on the company."

25. The Fourth Schedule to the principal Ordinance is hereby repealed.

26. Notwithstanding the amendment, repeal or replacement by this Ordinance of any provision of the principal Ordinance nor anything to the contrary in this Ordinance contained —

- (a) every development order made under section 11 of the principal Ordinance and subsisting immediately prior to the commencement of this Ordinance

Saving and transitional provisions.

shall continue in full force and effect according to the terms and conditions thereof and shall remain subject to the provisions of section 11 of and the First Schedule to the principal Ordinance then in force, which for this purpose shall be deemed to continue in full force and effect;

- (b) (i) where any assessment made upon a person by the Commissioner of Income Tax for the year 1972 includes tax on the profits of a business, such tax shall be discharged and shall not be recoverable:

Provided that where the person so assessed does not carry on the business throughout the year 1973, only such proportion of the tax shall be discharged as the number of days in 1973 during which he carries on the business bears to 365;

- (ii) subsection (7) of section 70 of the principal Ordinance, as amended by this Ordinance, shall apply to sub-paragraph (i) as it applies to subsections (5) and (6) of the said section 70.

Passed by the British Solomon Islands Governing Council this sixteenth day of November, one thousand nine hundred and seventy-two.

This printed impression has been carefully compared by me with the Bill passed by the Governing Council and found by me to be a true and correct copy of the said Bill.

L.O. POZNANSKI
Clerk of the Governing Council

LN 19/73

BRITISH SOLOMON ISLANDS PROTECTORATE

NO 23 OF 1972



Assented to in Her Majesty's name and on Her Majesty's behalf this thirtieth day of November 1972.

[L.S.]

non disallowance LN. 19/73

M.D. IRVING GASS,
High Commissioner

AN ORDINANCE

TO APPROPRIATE TWELVE MILLION EIGHT HUNDRED AND FIFTY-SIX THOUSAND SEVEN HUNDRED AND EIGHTY-FIVE DOLLARS TO THE SERVICE OF THE YEAR ENDING THE 31ST DECEMBER 1973

[15th December 1972]

Date of
commence-
ment.

WHEREAS the expenditure required for the service of the Government for the year ending on the 31st December 1973 has been estimated at the sum of twelve million eight